

Governor Huckabee Provides Special Tax Relief To Arkansans Who Sustained Losses From January's Tornadoes

For Immediate Release

LITTLE ROCK – Arkansas

Governor Mike Huckabee announced today that residents in the Arkansas counties sustaining the most damage due to January's tornadoes may now be eligible for special tax relief. This special tax relief will be effective immediately for those Arkansas taxpayers affected by the tornadoes. Losses on property for personal use, including homes, automobiles or household furnishing; and business-producing and income-producing property, including buildings, machinery, rentals and other types of equipment, are considered "casualty losses" for State income tax purposes.

With the exception of certain limitations, State law will permit taxpayers in designated Federal and State disaster areas to deduct casualty losses on either the State tax returns they plan to file by May 15 of this year for 1998, or the one they plan to file by May 15, 2000 for 1999. Governor Huckabee is also extending the time to file the 1998 income tax returns for qualifying taxpayers until August 15, 1999.

Because claiming a casualty loss for tornado victims in the affected counties could result in a lower tax payment or cash refund, anyone who has already filed a 1998 State tax return can file an amended return Form AR1000A. Any insurance reimbursement will affect the deduction allowed. Those counties affected by this special provision include: Pulaski, Saline, and White counties.

Additional counties may be added as damage is assessed. When claiming losses or the special extension on a 1998 State income tax return, please write "**Disaster Tornado**" on the front of the mailing envelope and on the top left corner of the income tax form. This will help expedite processing.

For more information,

contact David Foster, Income Tax Administrator,
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